

Federal Labor Relations Authority

§ 2418.18

debtor, including an opportunity for reconsideration of the initial decision on the debt. The FLRA may authorize the Financial Management Service to report to credit bureaus those delinquent FLRA debts that have been transferred to the Financial Management Service under § 2418.9.

§ 2418.15 How will the FLRA refer FLRA debts to private collection agencies?

The FLRA will transfer delinquent FLRA debts to the Financial Management Service to obtain debt-collection services provided by private collection agencies. See § 2418.9.

§ 2418.16 When will the FLRA refer FLRA debts to the Department of Justice?

(a) *Compromise or suspension or termination of collection activity.* The FLRA shall refer FLRA debts having a principal balance over \$ 100,000, or such higher amount as authorized by the Attorney General, to the Department of Justice for approval of any compromise of a debt or suspension or termination of collection activity. See §§ 2418.7 and 2418.8; 31 CFR 902.1; 31 CFR 903.1.

(b) *Litigation.* The FLRA shall promptly refer to the Department of Justice for litigation delinquent FLRA debts on which aggressive collection activity has been taken in accordance with this part and that should not be compromised, and on which collection activity should not be suspended or terminated. See 31 CFR part 904. The FLRA may authorize the Financial Management Service to refer to the Department of Justice for litigation those delinquent FLRA debts that have been transferred to the Financial Management Service under § 2418.9.

§ 2418.17 How does a debtor request a special review based on a change in circumstances such as catastrophic illness, divorce, death, or disability?

(a) *Material change in circumstances.* A debtor who owes an FLRA debt may, at any time, request a special review by the FLRA of the amount of any offset, administrative wage garnishment, or voluntary payment, based on materially changed circumstances beyond the control of the debtor such as, but not

limited to, catastrophic illness, divorce, death, or disability.

(b) *Inability to pay.* For purposes of this section, in determining whether an involuntary or voluntary payment would prevent the debtor from meeting essential subsistence expenses (costs incurred for food, housing, clothing, transportation, and medical care), the debtor shall submit a detailed statement and supporting documents for the debtor, his or her spouse, and dependents, indicating:

- (1) Income from all sources;
- (2) Assets;
- (3) Liabilities;
- (4) Number of dependents;
- (5) Expenses for food, housing, clothing, and transportation;
- (6) Child-care or elder-care expenses;
- (7) Medical expenses; and
- (8) Exceptional expenses, if any.

(c) *Alternative payment arrangement.* If the debtor requests a special review under this section, the debtor shall submit an alternative proposed payment schedule and a statement to the FLRA, with supporting documents, showing why the current offset, garnishment, or repayment schedule imposes an extreme financial hardship on the debtor. The FLRA will evaluate the statement and documentation and determine whether the current offset, garnishment, or repayment schedule imposes extreme financial hardship on the debtor. The FLRA shall notify the debtor in writing of such determination, including, if appropriate, a revised offset, garnishment, or payment schedule. If the special review results in a revised offset, garnishment, or repayment schedule, then the FLRA will notify the appropriate agency or other persons about the new terms.

§ 2418.18 Will the FLRA issue a refund if money is erroneously collected on a debt?

The FLRA shall promptly refund to a debtor any amount collected on an FLRA debt when the debt is waived or otherwise found not to be owed to the United States, or as otherwise required by law. Refunds under this part shall not bear interest unless required by law.